

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 02-22

ISSUE DATE: 11/26/2002

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RE: CY/PY2003
PERFORMANCE
STANDARDS AND
PERFORMANCE-BASED
FUNDING METHODOLOGY
FOR CHILD SUPPORT
AGENCIES

To: Child Support Agency Directors

From: Ronald F. Hunt
Deputy Division Administrator

The Child Support contract between the Department and local agencies specifies that certain funds will be awarded on a performance basis. This memo describes the performance standards which apply to Child Support funding for the Calendar Year (CY) 2003 (January 1, 2003 - December 31, 2003) for counties.

BACKGROUND

The federal government allocates child support performance funding to states based on performance measures. The amount of money allocated to each state is based upon each state's collections and performance on five performance measures, including court order establishment, paternity establishment, percentage of current support collected, arrearage cases with a collection and cost effectiveness. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 prohibits the use of performance-based funds for programs or services other than child support. Therefore, all child support incentive funds must be used by local agencies to pay the costs of child support program administration.

To ensure that Wisconsin earns the highest possible federal award, the Division of Workforce Solutions (DWS) and Child Support Agencies use a performance-based approach to provide state funding to child support agencies.

The incentive distribution process is defined in Administrative Rule DWD 44, Child Support Incentive Payments. Under the Rule, standards may be revised or other measures added to conform to federal performance standards or to meet statewide performance goals.

This memo outlines the incentive payment process and the performance requirements for state-county contract year 2003. DWS determined the performance measures, targets and incremental improvement criteria for calendar year 2003 in consultation with a committee of county representatives from the child support Policy Advisory Committee (PAC).

PERFORMANCE-BASED ALLOCATION METHODOLOGY

Projected Incentive Funding – Under Wis. Stat. s. 49.24, the maximum amount of incentive funds from federal incentives and state funds is \$12.34 million. For purposes of estimating the funds available for the performance-based allocation in 2003, the Department of Workforce Development (DWD) is estimating that the full \$12.34 million will be available to local child support agencies (CSAs) under the performance-based allocation for CY2003. When matched with 66 percent federal funds for allowable child support activities, the \$12.34 million generates \$23.95 million in federal funds for a total of \$36.29 million for the local CSAs. In the event that the amount available under Wis. Stat. s. 49.24 is less than \$12.34 million, reductions will be made to the incentive payment amounts.

Agency Allocations – The amounts allocated to each agency are shown in Attachment 1 to this memo. The methodology used to determine individual child support agency allocations for contract year 2003 is consistent with 2002 methodology. (See Administrator's Memo 01-13).

Based on the projected incentive funding of \$12.34 million, Column A on Attachment 1 shows the total projected performance-based allocation for each agency and Column B shows the associated federal match amount. Those allocated amounts are subject to the three performance standards described in this memo.

Initial Contract Load Amount - A certain percentage of each agency's allocation, as shown in Column A, will be loaded the first day of the 2003 contract period for immediate contract authority. The amount loaded will be based on the agency's performance level as of August 31, 2002, for support order establishment rate, paternity establishment rate, and current support collection rate. Agencies that have performance levels equal to or above the 2003 target rates as of August 31, 2002, will have an initial contract load amount of 100% for the measure. Agencies that have performance levels below the 2003 target rates as of August 31, 2002, will have an initial contract load amount of 90% for the measure.

Earned Amount – The agency's performance for the federal fiscal year ending September 30, 2003, will be used to determine the actual earned amount for each performance measure. Each agency's relative earned amount shall be compared to the statewide earned amount and applied proportionately to the funds actually available under s. 49.24 Wis. Stats.

Incentives may be earned in two ways. An agency may earn 100% of the available funding by meeting or exceeding the statewide target, or an agency may earn 100% of the available funding based on incremental improvement toward the statewide target.

In the event that some agencies do not earn 100 percent of their performance-based allocation, any unearned funds will be distributed to all agencies based on their proportionate share of the actual earnings.

Advances – Agencies will receive an advance payment in each of the first three months of the contract period, each equal to one-twelfth of the performance-based allocation estimate for their agencies. Performance-based advances (Column D) will appear on CARS profile 70501 (CS Performance-Based advance). Advance payments are taken back during the first three months immediately following the ending date of the contract and are taken back in the same increments as they were issued.

PERFORMANCE MEASURES FOR 2003

Court Order Rate – Performance Measure 1 on the OCSE-157 Report

The Court Order rate (CO Rate) is the ratio of the number of IV-D cases with court orders to the total number of IV-D cases at a point in time. Court orders include all types of legally enforceable orders, including current support orders, arrearage orders, medical support orders, work search orders and orders that are held open by the court. (See Child Support Bulletin 01-31.) Wisconsin's CO Rate is consistent with the federal court order rate performance measure.

Forty percent (40%) of the total funds under the performance-based allocation will be allocated for the court order establishment measure.

Statewide Target and Baseline

The statewide target for court order establishment is 80%. Agencies that have a CO Rate of 80% as of September 30, 2003 will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's CO Rate as of August 31, 2002.

Agencies with a CO Rate of 78% or Above as of August 31, 2002

Agencies that have a CO Rate baseline at or above 78% can earn 100% if they have a performance level at or above the statewide target of 80% on September 30, 2003. If an agency has a CO Rate below 80% as of September 30, 2003, the agency will earn between 80% and 99% under this measure. See Court Order Rate Chart, Columns A and C.

Agencies with a CO Rate of below 78% as of August 31, 2002

Agencies with a CO Rate baseline below 78% can earn 100% based on incremental improvement of 2%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's CO Rate as of September 30, 2003 with the agency's CO Rate as of August 31, 2002. See Court Order Rate Chart, Columns B and C.

- Agencies that remain at the same performance level during the period will earn 90% under this measure.
- Agencies that show improved performance of 0.10% to 2% during the period will earn between 90.50% and 100% under this measure.
- Agencies that show declining performance of -0.10% to -2% or more during the period will earn between 80.00% and 89.50% under this measure.

Paternity Establishment Rate – Performance Measure 2 on the OCSE-157 Report

The Paternity Establishment rate (PE Rate) is the ratio of the number of paternity-related children present in the IV-D caseload as of September 30, 2002 to the total number of paternity-related children present in the IV-D caseload during the year that have paternity established. The count of paternity-related children includes all children under the age of 19 for whom paternity has ever been an issue.

Paternity establishments include paternity acknowledgements, legitimations, or judicial actions to establish paternity, whether or not the agency handled the paternity action. Each child is counted only once, even if the child is present in multiple IV-D cases.

Paternity-related children whose IV-D cases close or who turn age 19 during the year are counted. For this reason, it is likely that high-performing agencies will achieve more than 100% PE Rate. Wisconsin's PE Rate is consistent with the federal paternity establishment rate performance measure.

Thirty percent (30%) of the total funds under the performance-based allocation will be allocated for the paternity establishment measure.

Statewide Target and Baseline

The statewide target for paternity establishment is 90%. Agencies that have a PE Rate of 90% as of September 30, 2003 will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's PE Rate as of September 30, 2002.

Agencies with a PE Rate of 89% or Above as of September 30, 2002

Agencies that have a PE Rate baseline at or above 89% can earn 100% if they have a performance level at or above the statewide target of 90% on September 30, 2003. If an agency has a PE Rate below 90% as of September 30, 2003, the agency will earn between 80% and 99% under this measure. See Paternity Establishment Chart, Columns A and D.

Agencies with a PE Rate of 84% to 89% as of September 30, 2002

Agencies with a PE Rate baseline of 84% to 89% can earn 100% based on incremental improvement of 1%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's PE Rate as of September 30, 2003 with the agency's PE Rate as of September 30, 2002. See Paternity Establishment Chart, columns B and D.

- Agencies that remain at the same performance level during the period will earn 90% under this measure.
- Agencies that show improved performance of 0.10% to 1% during the period will earn between 91% and 100% under this measure.
- Agencies that show declining performance of -0.10% to -1% or more during the period will earn between 80% and 89% under this measure.

Agencies with a PE Rate of below 84% as of September 30, 2002

Agencies with a PE Rate baseline of below 84% can earn 100% based on incremental improvement of 2%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's PE Rate as of September 30, 2003 with the agency's PE Rate as of September 30, 2002. See Paternity Establishment Chart, Columns C and D.

- Agencies that remain at the same performance level during the period will earn 90% under this measure.
- Agencies that show improved performance of 0.10% to 2% during the period will earn between 90.5% and 100% under this measure.
- Agencies that show declining performance of -0.10% to -2% or more during the period will earn between 80% and 89.5% under this measure.

Current Support Collection Rate – Performance Measure 3

The Current Support Collection rate (CSUP Rate) measures the monthly ratio of the number of cases with a current support order (CSUP FMLY or CSUP CHLD) present in the IV-D caseload

to the number of those cases with a CSUP collection during the month. The annual CSUP Rate is calculated by averaging the monthly CSUP collection ratios for the agency for the 12-month performance period.

Only collections that are applied to the CSUP FMLY or CSUP CHLD debts during the month are counted. A new EOSP report (EOSP KAPF Court Cases with Payments) is available in KIDS to assist CSAs in determining their CSUP Rates.

This measure is not the same as the federal current child support collection measure. In Wisconsin, the federal measure is not valid due to the presence of percentage-expressed orders on the IV-D caseload. Although most percentage-expressed orders were eliminated as of September 2002, the state-county contract committee did not have sufficient baseline information to establish a statewide target or incremental improvement goals for the federal current child support collection measure.

Thirty percent (30%) of the total funds under the performance-based allocation will be allocated for the current support collection measure.

Statewide Target and Baseline

The statewide target for current support collection rate is 70%. Agencies that have a CSUP Rate of 70% as of September 30, 2003 (average of the previous 12 months) will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's CSUP Rate as of September 30, 2002 (average of the previous 12 months).

Agencies with a CSUP Rate of 69.5% or Above as of September 30, 2002

Agencies that have a CSUP Rate baseline at or above 69.5% can earn 100% if they have a performance level at or above the statewide target of 70% on September 30, 2003. If an agency has a CSUP Rate below 70% as of September 30, 2003, the agency will earn between 80% and 99% under this measure. See Current Support Collection Rate Chart, columns A and D.

Agencies with a CSUP Rate of 60% to 69.4% as of September 30, 2002

Agencies with a CSUP Rate baseline of 60% to 69.4% can earn 100% based on incremental improvement of .5% (one-half of one percent). The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's CSUP Rate as of September 30, 2003 with the agency's CSUP Rate as of September 30, 2002. See Current Support Collections Rate Chart, Columns B and D.

- Agencies that remain at the same performance level during the period will earn 90% under this measure.
- Agencies that show improved performance of 0.1% to .5% during the period will earn between 91% and 100% under this measure.
- Agencies that show declining performance of -0.1% to - .5% or more during the period will earn between 80.00% and 89% under this measure.

Agencies with a CSUP Rate of below 60% as of September 30, 2002

Agencies with a CSUP Rate baseline of below 60% can earn 100% based on incremental improvement of 1%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's CSUP Rate as of September 30, 2003 with the agency's CSUP Rate as of September 30, 2002. See Current Support Collections Chart, Columns C and D.

- Agencies that remain at the same performance level during the period will earn 90% under this measure.
- Agencies that show improved performance of 0.10% to 1% during the period will earn between 91% and 100% under this measure.
- Agencies that show declining performance of -0.10% to - 1% or more during the period will earn between 80.00% and 89% under this measure.

ACTION OR NOTICE SUMMARY STATEMENTS:

REGIONAL OFFICE CONTACT: Area Administrator

BCS Contact: Susan E. Pfeiffer, (608) 267-8978

Attachments

cc: BCS Supervisors

Court Order Rate Chart		
Col A 9/30/03 CO Rate	Col B 2% Chart Increase/ Decrease	Col C % of Alloc Earned
80%	2%	100%
	1.9%	99.50%
79.9%	1.8%	99.00%
	1.7%	98.50%
79.8%	1.6%	98.00%
	1.5%	97.50%
79.7%	1.4%	97.00%
	1.3%	96.50%
79.6%	1.2%	96.00%
	1.1%	95.50%
79.5%	1.00%	95.00%
	0.90%	94.50%
79.4%	0.80%	94.00%
	0.70%	93.50%
79.3%	0.60%	93.00%
	0.50%	92.50%
79.2%	0.40%	92.00%
	0.30%	91.50%
79.1%	0.20%	91.00%
	0.10%	90.50%
79%	0%	90.00%
	-0.10%	89.50%
78.9%	-0.20%	89.00%
	-0.30%	88.50%
78.8%	-0.40%	88.00%
	-0.50%	87.50%
78.7%	-0.60%	87.00%
	-0.70%	86.50%
78.6%	-0.80%	86.00%
	-0.90%	85.50%
78.5%	-1.00%	85.00%
	-1.10%	84.50%
78.4%	-1.20%	84.00%
	-1.30%	83.50%
78.3%	-1.40%	83.00%
	-1.50%	82.50%
78.2%	-1.60%	82.00%
	-1.70%	81.50%
78.1%	-1.80%	81.00%
	-1.90%	80.50%
78%	-2.00%	80.00%
< 78%	>-2.00%	80.00%

Paternity Establishment Rate Chart			
Col A 9/30/03 PE Rate	Col B 1% Chart Increase/ Decrease	Col C 2% Chart % Increase/ Decrease	Col D % of Alloc Earned
90%	1%	2%	100%
		1.9%	99.50%
89.9%	0.9%	1.8%	99.00%
		1.7%	98.50%
89.8%	0.8%	1.6%	98.00%
		1.5%	97.50%
89.7%	0.7%	1.4%	97.00%
		1.3%	96.50%
89.6%	0.6%	1.2%	96.00%
		1.1%	95.50%
89.5%	0.5%	1.00%	95.00%
		0.90%	94.50%
89.4%	0.4%	0.80%	94.00%
		0.70%	93.50%
89.3%	0.3%	0.60%	93.00%
		0.50%	92.50%
89.2%	0.2%	0.40%	92.00%
		0.30%	91.50%
89.1%	0.1%	0.20%	91.00%
		0.10%	90.50%
89%	0%	0%	90.00%
		-0.10%	89.50%
88.9%	-0.1%	-0.20%	89.00%
		-0.30%	88.50%
88.8%	-0.2%	-0.40%	88.00%
		-0.50%	87.50%
88.7%	-0.3%	-0.60%	87.00%
		-0.70%	86.50%
88.6%	-0.4%	-0.80%	86.00%
		-0.90%	85.50%
88.5%	-0.5%	-1.00%	85.00%
		-1.10%	84.50%
88.4%	-0.6%	-1.20%	84.00%
		-1.30%	83.50%
88.3%	-0.7%	-1.40%	83.00%
		-1.50%	82.50%
88.2%	-0.8%	-1.60%	82.00%
		-1.70%	81.50%
88.1%	-0.9%	-1.80%	81.00%
		-1.90%	80.50%
88%	-1.0%	-2.00%	80.00%
< 88%	>-1.0%	>-2.00%	80.00%

Current Support Collection Rate Chart			
Col A 9/30/03 CSUP Rate	Col B .5% Chart Increase/ Decrease	Col C 1% Chart Increase/ Decrease	Col D % of Alloc Earned
70%	0.50%	1%	100%
69.95%	0.45%	0.9%	99.00%
69.9%	0.40%	0.8%	98.00%
69.85%	0.35%	0.7%	97.00%
69.8%	0.30%	0.6%	96.00%
69.75%	0.25%	0.5%	95.00%
69.7%	0.20%	0.4%	94.00%
69.65%	0.15%	0.3%	93.00%
69.6%	0.10%	0.2%	92.00%
69.55%	0.05%	0.1%	91.00%
69.5%	0.00%	0%	90.00%
69.45%	-0.05%	-0.1%	89.00%
69.4%	-0.10%	-0.2%	88.00%
69.35%	-0.15%	-0.3%	87.00%
69.3%	-0.20%	-0.4%	86.00%
69.25%	-0.25%	-0.5%	85.00%
69.2%	-0.30%	-0.6%	84.00%
69.15%	-0.35%	-0.7%	83.00%
69.1%	-0.40%	-0.8%	82.00%
69.05%	-0.45%	-0.9%	81.00%
69%	-0.50%	-1.0%	80.00%
<69%	>-.50%	>-1.0%	80.00%